

Licensing of Earth Moving Equipment for USSR

On August 23, 1967 the Office of Export Control, Department of Commerce approved a license for export to the USSR of 10 caterpillar D-9 tractors. The Soviets in ordering this equipment indicated that it would be used for removal of overburden in gold mining. The licensing decision was taken by the Office of Export Controls of the Department of Commerce without discussion in the Advisory Committee for Export Policy or its Operating Committee. We are advised by the Department of Commerce that this action is consistent with authority delegated by the Advisory Committee in connection with an earlier decision on a similar case.

On the matter in question CIA analysts provided information informally to the Department of Commerce in response to specific queries from the Office of Export Controls. Our analysts reported that the tractors in question:

- a) probably would be used in the Magadan gold mining area in Siberia
- b) are superior to Soviet tractors of this general type.

We believe that Soviet tractors have not made a good record in the Siberian gold fields, partly because they are not powerful enough and partly because they break down frequently in the severe weather conditions. The D-9 Caterpillar has a horsepower rating substantially larger than the largest Soviet production models and reputation for low-cost maintenance and long-running reliability.

The USSR has thousands of pieces of earth-moving equipment in the gold fields, therefore the addition of 10 D-9 Tractors will not represent a major upgrading in the capabilities of the Soviet gold mining industry.

We do not know the Soviet motives for ordering 10 tractors. A reasonable explanation is that they intend to test the performance of these tractors in the rigorous conditions of the Magadan area and, if results are satisfactory, they may either order more such tractors or copy the most useful design features. In the latter case, for the Soviets to design a new model and tool up for series production would be difficult and time consuming.

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